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SIPDIS

DEPT FOR PM/DTCC - BLUE LANTERN COORDINATOR

E.O. 12958: N/A
TAGS: [ETTC](#) [KOMC](#) [TH](#)
SUBJECT: BLUE LANTERN LEVEL 3: PRE-LICENSE END-USE CHECK ON
LICENSES 050179008 AND 050202690

REF: STATE 123750

¶1. (U) According to the Thai Ministry of Commerce, 299 Company, Ltd. is listed as follows:

Registration No. 0105536005188
Registered Date: January 18, 1993
Status: Company Limited
Capital Registration: 5,000,000 baht
Partners: Chailai Yugala Na Ayutthaya and Anyawida Yugala Na Ayutthaya
Company Location: 622, Room 3P-15, Floor 3, Emporium Shopping Center, Sukhumvit Road, Khlong Tan Sub-District, Khlong Toei, Bangkok
The company has submitted annual financial reports for 1999-2008.
Purpose of Company: To wholesale back-bags, camping tents, sleeping bags, slippers, mountaineer shoes, sweaters, and jackets

¶2. (U) After a review of the Telephone Directory Center, another address and phone number was discovered for this company. They are as follows:

Company Location: 469-502, Amarin Plaza Building, Phoenchit Road, Lumpini, Pathumwan, Bangkok
Phone Number: 02-684-5991-2

¶3. (U) A site visited was conducted on December 17, 2009 to both company locations - the Emporium and Amarin Plaza. The Emporium location is a store named 'Pro Cam - FIS,' selling imported and domestic clothing, weather-proofed jackets, and camping gear/instruments. The staff at this location did not know about 299 Company Ltd or the import of military equipment.

¶4. (U) The Amarin Plaza location is also a store called 'Pro Cam - FIS.' The cashier at this location was aware that the owner of the store also owned 299 Company Ltd but was not aware of the company's military contracting.

¶5. (U) A site visit was conducted at 299 Tank Company Ltd., located at 116/15-16, Young Place Building, Soi Sukhumvit 31, Sukhumvit Road, Khlong Toei, Nua Sub-District, Wattana District, Bangkok. This company is apparently the sister company of 299 Company Ltd. The staff at this location did know about 299 Company Ltd or its military contracting activities.

¶6. (U) Upon further investigation, we were able to reach a principal staff member of 299 Company Ltd, Sukanya Suam-Prakham, Director of Government Sales. We met Sukanya December 18, 2009. Sukanya noted that 299 Company Ltd. has eleven employees, three of whom work on military/government

sales. The remaining work in one of the 'Pro Cam - FIS' store locations. Documents regarding military sales are stored at Sukanya's home or Anyawida Yugala Na Ayutthaya's residence.

17. Sukanya's answers to the questions are as follows:

WHEN WAS YOUR COMPANY ESTABLISHED AND WHO ARE ITS PRINCIPALS?

The company was set up in 1993 with the principals as stated by the Ministry of Commerce. Sukanya is the secretary to Chailai Yugala Na Ayutthaya and she manages the military sales projects. She uses her private home and Chailai's residence as offices.

WHAT PRODUCTS OR SERVICES DOES YOUR COMPANY PROVIDE? WHO ARE YOUR REGULAR CUSTOMERS AND WHERE DO THEY RESIDE?

Principally, 299 Company Ltd. operates the two stores 'Pro Cam - FIS,' selling imported and domestic trekking gear, outdoor sports equipment, and clothing to the general public.

In September 2007, the company officially began trade military equipment and started its business with the Royal Thai Armed Forces in 2008. Its military clients include Army's Taskforce 90, the Counter Terrorism Operations Center, and the Naval Ordinance Department. The military equipment sold by 299 Company Ltd. includes weapon-connecting gear and accessories, such as flashlights, silencers, handheld radio-communication headsets, night vision goggles, and rope-rappelling equipment.

WHAT ARE YOUR ANNUAL SALES OF US-ORIGIN DEFENSE ARTICLES?

It was 3,000,000 to 4,000,000 baht in 2008 and over 10,000,000 baht in 2009.

DO YOU SELL DEFENSE ARTICLES TO CUSTOMERS THAT RESIDE OUTSIDE THAILAND? IF SO, WHO ARE THESE CUSTOMERS AND WHERE DO THEY RESIDE?

299 Company Ltd. has never sold defense articles to foreign customers, only to the Royal Thai Armed Forces. The items will be for Thai military use and not for general sale to the public. However, the company does sell to foreign customers at their store locations focused on outdoor activity gear.

DID YOU EVER HAVE PHYSICAL POSSESSION OF THE SUPPRESSORS LISTED? IF SO, PROVIDE DOCUMENTATION THAT DEMONSTRATES THAT ALL SUPPRESSORS WERE TRANSFERRED TO THE ROYAL THAI NAVY.

299 Company Ltd. did order and import the listed equipment. The items arrived at the Suwannaphum International Airport in Bangkok on September 13, 2009. They were picked up by the Naval Quartermasters Department Officer, Lt. Nopphdon Suksathi RTN, on September 17, 2009 and transported directly to the Naval Ordinance Department in Chonburi, arriving on the same day as signed and acknowledged by the Naval Ordinance Department Officer, Lt. Thanaphat Rotnoi RTN. The items were never stored by the company.

PLEASE CONFIRM THE EXACT QUANTITY OF SUPPRESSORS YOU ORDERED, RECEIVED AND TRANSFERRED TO THE ROYAL THAI NAVY.

The quantity of suppressors imported is 32 sets of Model FA 556-212. The series numbers are R02972 - R03003. These items came together with 32 sets of Flash Hiders/Adapters, Model FH556-212. A contract dated March 24, 2009 between the Naval Ordinance Department and 299 Company Ltd (ref. 55/Ngo, Po 2552) confirms this quantity.

WILL YOU EVER HAVE PHYSICAL POSSESSION OF THE HELLFIGHTER SPOTLIGHT KITS, SHORT BARREL MOUNTS, OR CABLES AS LISTED?

The order and import of the above items is confirmed as to the quantity and details listed in the cable in the contract dated May 6, 2009 between the Naval Ordinance Department and 299 Company Ltd. (ref 90/Ngo, Po 2552). As with the prior items, these will be picked up by naval officers when they

are received at the airport and transported directly to the naval base.

PLEASE DESCRIBE THE SECURITY MEASURES YOUR COMPANY TAKES IN HANDLING AND STORING DEFENSE ARTICLES.

As noted above, 299 Company Ltd. does not store these items as they do not have a facility to do so. The items are picked up and transported by the Naval Officers directly.

ARE YOU FAMILIAR WITH THE REGULATIONS GOVERNING THE IMPORT OF US-ORIGIN DEFENSE ARTICLES, INCLUDING RESTRICTIONS ON UNAUTHORIZED RE-TRANSFER OR RE-EXPORT?

Sukanya was not familiar with these regulations. We described the regulations to her during our interview.

18. (U) A site visit to the Naval Ordinance Department of the Royal Thai Navy was conducted on December 22, 2009. We met with Lt. Cdr. Somphon Phaethai RTN of the Logistics/Procurement Division. Somphon was able to confirm verbally and documentarily that the items listed in the cable were purchased and received by the department. However, he would not permit a physical inspection, citing military confidentiality. He noted that the items were for the operations of the Navy's Seal Unit (the Naval Special Welfare Division).

19. (U) Somphon's responses to the questions are as follows:

CAN YOU CONFIRM THESE ORDERS FOR SUPPRESSORS AND FIRE CONTROL SYSTEMS?

Somphon confirmed the purchase of these items as well as their delivery on September 17, 2009. They were examined, tested, and officially accepted on September 29, 2009, signed by three naval officers.

DID THE ROYAL THAI NAVY RECEIVE ALL THE SUPPRESSORS LISTED ON LICENSE 0501798008? PLEASE CONFIRM THE EXACT QUANTITY OF SUPPRESSORS ORDERED AND RECEIVED.

As stated above, this was confirmed verbally and documentarily, but not physically.

IS THE 299 COMPANY LTD. PROPERLY AUTHORIZED TO IMPORT AND SELL DEFENSE ARTICLES IN THAILAND?

Somphon has never visited the company but a review of the company's registration convinced him that they were legally authorized to do this.

DO YOU HAVE ANY INFORMATION OF 299 COMPANY LTD. THAT WOULD CALL INTO QUESTION THEIR RELIABILITY AS A RECIPIENT OF U.S. DEFENSE ARTICLES?

Somphon said his department has conducted business with 299 Company Ltd. for two years now and has no concerns about their reliability.

110. (U) Our review led to the discovery of a few minor inconsistencies. They are as follows:

The name of Dir-Gen. of the Naval Ordinance Department is Rear Adm. Narongpol Na Bangchang, rather than Narchopol Nananchang as stated in the cable.

The 299 Company Ltd. purchase order No. 2009/07-002 is actually dated July 9, 2009, rather than September 7, 2009 as stated in the cable.

JOHN